

	Billing	Purchases	Payrolls	Cash Receipts	Cash Disbursements	Inter-Co. Billings	Inter-Co. Purchases
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1 Gen. Off. Expense.....		\$ 00,000.00	\$ 00,000.00	\$ 00,000.00	\$ 000,000.00	\$	\$ 000.00
2 Eastern Div.	\$ 000,000.00	0,000.00	0,000.00	000,000.00	0,000.00	000,000.00	00,000.00
3 Boston Works	000,000.00	000,000.00	000,000.00	000,000.00	000,000.00	000,000.00	00,000.00
4 Western Div.	000,000.00	0,000.00	000,000.00	000,000.00	000,000.00	000,000.00	00,000.00
5 Keweenaw Works		000,000.00	000,000.00			000,000.00	00,000.00
6 Boston Branch	000,000.00	00,000.00	00,000.00	000,000.00	00,000.00	000.00	00,000.00
7 New York	000,000.00	00,000.00	00,000.00	000,000.00	00,000.00	000.00	00,000.00
8 Chicago	000,000.00	00,000.00	00,000.00	000,000.00	00,000.00	000.00	00,000.00
9 Seattle	000,000.00	000,000.00	0,000.00	000,000.00	00,000.00	000.00	00,000.00
10 Philadelphia	000,000.00	00,000.00	0,000.00	000,000.00	00,000.00	000.00	00,000.00
11 Portland	000,000.00	00,000.00	0,000.00	000,000.00	00,000.00	000.00	00,000.00
12 Total Branches	000,000.00	000,000.00	00,000.00	000,000.00	000,000.00	0,000.00	000,000.00
13 Wal. Int. Co.	000,000.00	000,000.00	0,000.00	000,000.00	000,000.00	000.00	000,000.00
14 Total	\$0,000,000.00	\$0,000,000.00	\$000,000.00	\$0,000,000.00	\$0,000,000.00	\$000,000.00	\$000,000.00
15 Total Payroll		000,000.00					
16 Inter-Company		000,000.00		000,000.00	000,000.00		
17 Total	\$0,000,000.00	\$0,000,000.00		\$0,000,000.00	\$0,000,000.00		
18 Financial Exp.		(a) 00,000.00					
19 Total	\$0,000,000.00	\$0,000,000.00		\$0,000,000.00	\$0,000,000.00		
20 Capital & Other Chgs.		(b) 00,000.00					
21 Total	\$0,000,000.00	\$0,000,000.00		\$0,000,000.00	\$0,000,000.00		

(a) Financial Expense Includes \$ 0,000.00 for int. on notes pay'ble
00,000.00 for int. on bonds (Book)
000.00 for insurance Chg. only
00,000.00 for special funds.

(b) Capital Charges includes \$00,000.00 Walworth Realty Co.

(c) None of the figures on the Budget indicate the effect of any proposed note transaction.

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Chart 4. Walworth 1923 Budget.

to control the expenses and finished material purchases of the merchandising units which deal considerably in resale items as well as Walworth materials. Further, this budget serves as the treasurer's advance notice of probable cash requirements several months in advance of the actual requirement date.

On the tenth of the month previous to the one under review, schedules are sent to every unit which makes sales and therefore collects money, or which purchases materials and therefore disburses cash. By the twentieth of that month these schedules are all received back in the office of the Planning and Statistics Section and are combined into a master budget sheet, letter-paper size. This sheet is designed, as shown in the first tabulation, to give a summary picture of the activities of the whole company. First billings, by units, are set over against purchase invoices to be received and accrued payroll, by the same units. Then there are set against each other cash receipts and cash disbursements, both by similar units. The first set of columns on the accrued basis suggests readily the relation between commitments and sales income. Because of our usual terms of credit these two columns very definitely suggest the probable cash conditions 60 days hence; and the com-

pany's total of commitments when compared with sales suggests the current month's profit. The two next columns, or the "cash" columns, suggest probable cash position during the following 30 days. From the treasurer's viewpoint, these cash columns will indicate the degree to which he may liquidate current borrowings from the banks, or the amount which he must provide to guarantee financing the inventory increase. Of course all this activity could not go on without inter-company exchange of goods, particularly from the works to the branches, so two more columns show, by units, inter-company sales and inter-company purchases. From this "set-up" there can then be observed for each unit upon a single line across the sheet a summary of its condition as an individual entity. Sales to customers plus inter-company sales represent income. Purchases from outside vendors plus payroll plus inter-company purchases represent total commitments made for securing the sales of the month. Or, if there is any change in inventory, after a rough allowance for usual profit on sales, it is readily determined just how much each unit may be changing its inventory condition. Analysis in this form is carried out in the second table shown.

All Units (G. O. Regular Distributed to Sales Units.)	COMMITMENTS			SALES INCOME EXCLUDING PROFITS			1923 YEAR TO DATE EXCESS OF COMMITMENTS OVER INCOME (Approximating Increase in Inventory)						
	Purchases Incl. I/G & Chgs. from G. O. (Excl. Capital & other Chgs)	Total Payroll Charge	Combined Purch. and Payroll	Total Sales to Cust. and Int.-Co.	Anticipated Profit		Sales Income Less Expected Profit	May to Date		April to Date		March to Date	
					Expect- ed Per cent Profit Margin	Dollar Profit Am'ts		Visible as of 4/26	Visible as of 4/17	Visible as of 3/27	Visible as of 3/27	Visible as of 3/17	Visible as of 3/17
	A	B	C (A plus B)	D	E	F (D×E)	G (D-F)	H-5†	H-4†	H-3†	H-2†	H-1†	H-1†
1 East. Div.	\$0,000.00	\$ 000.00	\$ 0,000.00	\$ 0,000.00	0.0%	\$ 00.00	\$ 0,000.00	\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00
2 West. Div.	0,000.00	0,000.00	0,000.00	0,000.00	0.0%	0.00	0,000.00	00.00	00.00	00.00	00.00	00.00	00.00
3 Boston	000.00	00.00	000.00	000.00	0.0%	00.00	000.00	00.00	00.00	00.00	00.00	00.00	00.00
4 New York	000.00	00.00	000.00	000.00	0.0%	0.00	000.00	00.00	00.00	00.00	00.00	00.00	00.00
5 Chicago	000.00	00.00	000.00	000.00	0.0%	00.00	000.00	00.00	00.00	00.00	00.00	00.00	00.00
6 Seattle	000.00	00.00	000.00	000.00	0.0%	0.00	000.00	00.00	00.00	00.00	00.00	00.00	00.00
7 Philadelphia	000.00	00.00	000.00	000.00	0.0%	00.00	000.00	00.00	00.00	00.00	00.00	00.00	00.00
8 Portland	000.00	00.00	000.00	000.00	0.0%	00.00	000.00	00.00	00.00	00.00	00.00	00.00	00.00
9 Total Branch	0,000.00	000.00	0,000.00	0,000.00	0.0%	0.00	0,000.00	000.00	000.00	000.00	000.00	000.00	000.00
10 Wal. Int. Co.	000.00	00.00	000.00	000.00	0.0%	00.00	0,000.00	00.00	00.00	00.00	00.00	00.00	00.00
11 Grand Total	0,000.00	0,000.00	00,000.00	00,000.00	0.0%	000.00	0,000.00	000.00	000.00	000.00	000.00	000.00	000.00

*12 Capital Chgs. and other (Only G. O. Expen. not distributed to Sales Units)

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†The number following any column, identified by "H," suggests that the figures therein have been copied over from the "H" column of the first, second, or later issue, of this tabulation.

*Capital and Other Charges include the following:

January \$00. Munsing 00. Wal. Realty 00. Phila. Realty	February \$000. Income Tax 00. Cleveland 00. Wal. Realty	March \$00. Preferred Div. 00. Common Div. 00. Wal. Realty
\$00.	\$00.	\$00.
April \$00. Wal. Realty		
May \$. None		
\$000. Total Capital Charges Listed.		

Chart 5. May, 1923, Year-to-date Comparison of Commitments Against Sales Income.

Such a summary for budgetary forecasting and control would not, of course, be possible had not the earlier groundwork been prepared. The reason it is a simple matter to obtain from each unit head an estimate of his own budget is because he knows very definitely just what his jurisdiction covers, and can obtain from his accounting records, over at least two or three years, the basic data necessary for him to use in estimating the future.

And again we find an opportunity to improve this estimating, because it is possible to prepare, with the expenditure of but a few hours' time every week, a summary of actual figures, which show us, currently, how closely our performance is meeting the estimate. This weekly summary of the actual status of the company is also prepared on a letter-size sheet of paper. It is set up in exactly the same arrangement as the master estimate for the month so that direct comparison item by item and unit by unit can be made. It is readily

discernible on the fifteenth of the month from the weekly master budget report coming out at that time, whether or not, for instance, our Chicago Branch is likely to spend more in the month than they first anticipated. The branch in such a case is supposed to have previously notified us that the estimate was in error. But the weekly reports would develop the situation automatically.

Immediately after the end of the month, approximately 15 days before the final detailed auditor's statements can be made available, the Planning and Statistics Section, from the current accounting sheets as they pass over the desk, abstracts figures for preliminary reports issued to the officers in charge of activities. These reports cover monthly tonnage of orders received, shipments and production, actual purchase commitments, payroll, cash receipts and cash disbursements. There are issued a few other preliminary, yet essentially accurate actual reports on activities necessary for cur-